



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEER DISTRICT, SACRAMENTO
CORPS OF ENGINEERS
1325 J STREET
SACRAMENTO, CALIFORNIA 95814-2922

A-207

July 25, 1997

Planning Division

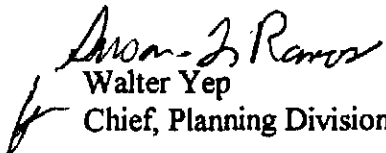
Ms. Kate Hansel
CALFED Bay-Delta Program
1416 Ninth Street, Suite 1155
Sacramento, California 95814

Dear Ms. Hansel:

The Corps of Engineers fully supports the U.S. Fish and Wildlife Service's efforts to acquire and restore Liberty Island in order to help achieve the Stone Lakes National Wildlife Refuge's mission. In particular, the acquisition and restoration of Liberty Island will protect and restore tidally-influenced wetlands and riparian corridors in the Delta which will improve habitat for anadromous and resident fish, migratory birds, and special-status plant and wildlife species. In addition, the project will improve flood management by providing additional flood conveyance from the Yolo Bypass through the Delta.

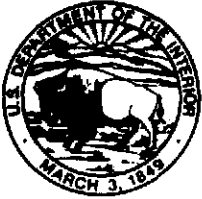
The Corps has completed extensive environmental studies of Liberty Island, including an Environmental Evaluation, and has been given the authority by Congress to participate in the restoration of the island. We look forward to working further with you and the Service to implement this project.

Sincerely,


Walter Yep
Chief, Planning Division

Copy Furnished:

Mr. Tom Harvey, Refuge Manager, Stone Lakes National Wildlife Refuge, 2233 Watt Avenue,
Suite 375, Sacramento, California 95825



IN REPLY REFER TO:

United States Department of the Interior

FISH AND WILDLIFE SERVICE

2233 Watt Avenue, Suite 375
Sacramento, CA 95825-0509
(916) 979-2085

F1-207

DWR WAREHOUSE

97 JUL 28 PM 3:18

July 28, 1997

Kate Hansel, Grant Coordinator
CALFED/Bay-Delta Program
1416 Ninth Street, Suite 1155
Sacramento, CA 95825

Dear Ms. Hansel:

Enclosed please find ten copies of the U.S. Fish and Wildlife Service's application for funding the acquisition of Liberty Island under the CALFED/Category 3 grants program. The acquisition and eventual restoration of this strategically-located island within the Sacramento/San Joaquin River Delta offers outstanding opportunities to protect and improve Delta habitat for the benefit of many priority species. The acquisition will complement goals for the development of Stone Lakes National Wildlife Refuge. It also supports CALFED's mission and several program objectives.

Thank you for taking time to consider our funding request.

Sincerely,

Howard Stark, Chief
Sacramento Realty Office

encl: ten copies of grant application

3, 2, 1

F1-207

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I. EXECUTIVE SUMMARY

a. Project Title: Liberty Island Acquisition

Applicant Name:

U.S. Fish and Wildlife Service

b. Project Description and Primary Biological/Ecological Objectives

The U.S. Fish and Wildlife Service (Service) is requesting \$8,577,000 for the acquisition of a 4,760-acre Liberty Island, located near Prospect Island and Little Holland Tract in the northern Sacramento/San Joaquin River Delta. A single willing seller owns Liberty Island. The Service has discussed its purchase with the seller for two years. The Service is collaborating with the U.S. Army Corps of Engineers (Corps) and the U.S. Bureau of Reclamation (Bureau) on acquisition and restoration of the island, as well as restoration efforts on the two adjacent islands.

The objective of this project is to acquire Liberty Island and restore important Delta habitats for the benefit of winter-run chinook salmon, Delta smelt, Sacramento splittail, and other native fishery resources, riparian corridors, and wetlands that support water-associated birds, neotropical migrants, and other species, including many that are at risk. Because of the island's strategic location in the Yolo-Bypass and current hydrology patterns, Liberty Island's acquisition and restoration will meet CALFED's mission of restoring ecological health and improving water management for beneficial uses in the Bay-Delta system. (See photos & map/Appendices A&B.)

c. Approach/Tasks/Schedule

Depending on availability of funding, the acquisition can occur either in full or phased, over a two-year funding cycle. The landowner is a willing seller who supports either approach. (See Appendix C.) An appraisal from a state-approved appraiser has been completed and environmental evaluation of Liberty Island was completed by the Corps in December 1996. If full funding is provided by CALFED in September, the Service could complete acquisition as early as the end of December 1997. If phased funding is provided and the unsold portion remains available and can also be funded by CALFED, full acquisition could be completed by June 1998.

d. Justification for Project and Funding by CALFED

The Sacramento/San Joaquin River Delta is a system of diverse aquatic habitats that supports over 45 fish species. Alterations of the natural channels and intensive agricultural development have significantly changed the hydrology and reduced the wetland complexity of the Delta. Current land uses have reduced rearing and feeding habitat for many vulnerable Delta fish species and migratory birds. Liberty Island and Little Holland Tract create a "bottleneck" as water travels through the Yolo Bypass. Current levee configurations constrict the flow of floodwaters and exacerbate winter flooding in the Sacramento River floodplain.

Acquisition of other Delta property is feasible, but the potential for restoration and the hydrological benefits are unique and significant at Liberty Island, given its location and ongoing acquisition and restoration efforts on adjacent Little Holland Tract and Prospect Island. The acquisition and restoration of Liberty Island complements several CALFED objectives by addressing more than a half dozen stressors affecting winter-run chinook salmon, Delta smelt, and Sacramento splittail; secondary priorities, such as striped bass and migratory birds; and aquatic habitats.

e. Budget Costs and Third Party Impacts

The Service is requesting \$8,577,000 for full acquisition, or \$4,302,000 for the first year of a phased acquisition. Anticipated third party impacts to the local tax base by withdrawal of private lands would be off-set through the Refuge Revenue Sharing Act and appropriate payment in lieu of taxes would be reimbursed to the communities annually.

f. Applicant Qualifications

The Service currently manages over 670 square miles of habitat within the Refuge system in California. The Service has an ongoing land acquisition program that covers 16 Refuges and Wildlife Management Areas within the Central Valley and San Francisco bay area. Although 6 of these Refuge units have been completed, another 224 square miles of habitat remains unprotected in non-federal ownership within approved boundaries. The staff of eight has over 150 years of combined experience in the areas of realty, appraisal, and environmental protection. Stone Lakes National Wildlife Refuge staff will coordinate restoration work with the Bureau and Corps, both of which have long-established track records in accomplishing restoration projects.

g. Monitoring and Data Evaluation

This project will be tracked through the Service's Sacramento Realty Office from initiation through purchase. Stone Lakes National Wildlife Refuge will provide biological support for the acquisition process and oversee all restoration and management.

h. Local Support

The following agencies and organizations support the Service's purchase (and restoration of) Liberty Island: U.S. Bureau of Reclamation, U.S. Army Corps of Engineers, California Department of Water Resources, California Department of Fish and Game, Wildlife Conservation Board, the Sacramento-Yolo Port Authority, Solano Irrigation District, Metropolitan Water District, and The Trust for Public Lands. The landowners also fully supports this project.

Compatibility with CALFED objectives

Wetland restoration and levee recontouring will help satisfy three of four CALFED objectives:

- Improve and increase aquatic and terrestrial habitats and improve ecological functions in the Bay-Delta to support sustainable populations of diverse and valuable plant and animal species;
- Reduce the risk to land use and associate economic activities, water supply, infrastructure, and the ecosystem from catastrophic failure of Delta levees; and
- Provide good water quality for all beneficial uses.

Coordination with Other Programs

Acquisition and restoration of Liberty Island complements the aforementioned CALFED objectives and these programs and plans:

- Recovery Plan for Sacramento, San Joaquin Native Fishes
- U.S. Fish and Wildlife Service Central Valley San Francisco Bay Ecoregion Plan
- Central Valley Habitat Joint Venture fulfillment of N. Amer. Waterfowl Mngmt. Plan
- USFWS Concept Plan for Waterfowl Wintering Habitat Preservation
- Aleutian Canada Goose Recovery Plan

II. TITLE PAGE

a. Title of Project: Acquisition of Liberty Island for Stone Lakes National Wildlife Refuge

b. Applicant Information

Howard K. Stark, Chief
U.S. Fish and Wildlife Service
Sacramento Realty Field Office
2233 Watt Avenue, Suite 375
Sacramento, CA 95825
Phone: (916) 979-2085
Fax: (916) 979-2092

Thomas H. Harvey, Project Leader
U.S. Fish and Wildlife Service
Stone Lakes National Wildlife Refuge
2233 Watt Avenue, Suite 375
Sacramento, CA 95825
Phone: (916) 979-2085
Fax: (916) 979-2092

c/d. Type of Organization and Tax Status

Public--Federal Government, tax exempt

e. Technical and Financial Contact Persons

Same as applicants

f. Participants/Collaborators in Implementation

U.S. Fish and Wildlife Service
2233 Watt Avenue, Suite 375
Sacramento, CA 95825
Phone: (916) 979-2085
Fax: (916) 979-2092

Contacts: Howard K. Stark, Realty Chief
Thomas E. Harvey, Project Leader

Cheyenne Realty, Inc.
1528 Pool Blvd.
Yuba City, CA 95993
Phone: (916) 671-2509
Fax: (916) 671-0121

Contact: Geneal Chima, President &
agent for the landowner

The U.S. Fish and Wildlife Service's (Service) Sacramento Realty Office will be the lead contact for acquisition of Liberty Island. The Service is currently negotiating with the owner of Liberty Island, Naumachia, Inc., through Cheyenne Realty, Inc. The landowner is a willing seller and has received an appraisal of Liberty Island from Pattison and Associates, a state approved appraiser. The Service is presently contracting for a second appraisal from an appraiser under contract.

Upon acquisition, the Service intends to cooperate with the U.S. Bureau of Reclamation (Bureau) and the U.S. Army Corps of Engineers (Corps) on restoration of the property. The Corps completed a Reconnaissance Report (January 1996) and Environmental Evaluation (December 1996) of Little Holland Tract. These documents summarize information about Liberty Island's wildlife and habitat values, hydrologic cycles, and restoration potential. The Corps has received authority from Congress to restore Liberty Island in conjunction with its acquisition and enhancement for Little Holland Tract. To support this acquisition effort, the Bureau is also submitting a CALFED/Category 3 proposal requesting \$7,120,000 to restore Liberty Island.

g. RFP Project Group Type

Land Acquisition

III. PROJECT DESCRIPTION

a. Project Description and Approach

This proposal requests \$8,577,000 to acquire 4,760-acre Liberty Island, located in the Sacramento/San Joaquin River Delta. The landowner is a willing seller who has discussed acquisition with the U.S. Fish and Wildlife Service's (Service) Sacramento Realty Office for almost two years. Upon purchase, Liberty Island will be managed by the Service's Stone Lakes National Wildlife Refuge (Refuge). The Refuge will cooperate with the Bureau of Reclamation (Bureau), U.S. Army Corps of Engineers (Corps) and others to restore the island. (See photos/Appendix A.)

Project Meets Refuge Goals and CALFED Objectives: Acquisition of Liberty Island will contribute to one of the Refuge goals to protect and restore tidally-influenced wetlands, riparian corridors, and upland habitats to benefit anadromous and native fish, migratory birds, and numerous special-status plant and wildlife species. Liberty Island will be managed and restored to provide feeding and rearing areas for winter-run chinook salmon, Delta smelt, Sacramento splittail, and numerous native fish. Restored riparian corridors and tidally-influenced wetlands will also support an array of water-associated migratory bird species that depend on Delta habitats. Recontouring levees will improve conveyance of floodwaters from the Yolo Bypass through the Delta and increase flood protection. The acquisition complements CALFED mission and programs and meets three of CALFED's objectives for improving Bay-Delta ecosystems (See IIId/Justifications).

Three Delta islands to be managed by the Service: Liberty Island, Prospect Island, and the Little Holland Island Tract are adjacent islands strategically located within the northern Delta. The Service has prepared a preliminary project proposal to designate these islands as the North Delta Unit of Stone Lakes National Wildlife Refuge. The Corps has developed restoration proposals for Prospect Island, Liberty Island, and Little Holland Tract. The Bureau currently owns Prospect Island and intends to transfer the island to the Service for management as part of the Refuge; the Refuge should ultimately assume management of Little Holland Tract. Acquisition of Liberty Island would allow all three islands to be managed as a complex, thus securing a significant block of habitat for fish and wildlife in a vital location. The Bureau is also exploring the feasibility of establishing an environmental corridor to link the Little Holland Tract (and North Delta Unit of the Refuge) with the current Refuge project boundary.

b. Location and/or Geographic Boundaries of Project

Liberty Island is located in Solano and Yolo counties and the Sacramento/San Joaquin Delta. Prospect Slough and Liberty Cut form the eastern boundary of the island. The western boundary is formed by Shag Slough and the confluences of Shag Slough and Cache Slough. An unnamed drainage canal connecting Liberty Cut and Shag Slough forms the northern boundary. The southern boundary is formed by the convergence of several waterways, including Miner Slough, Prospect Slough, and the Sacramento River Deep Water Ship Channel. (See map/Appendix B).

The legal description for the property is: Township 5 and 6 North, Range 3 East, including Sections 5, 6, 7, 8, 17, 18, and 19, Mt. Diablo Base and Meridian, containing 4,760 acres (1919 hectares).

Stone Lakes National Wildlife Refuge's approved project area is designated on the map shown in Appendix B. Liberty Island lies approximately 8 miles west of the current Refuge project boundary.

c. Expected Benefits

1. Floodplain and Marshplain Changes

Description of Stressor: Habitat fragmentation, loss of seasonal and tidal wetlands due to construction... on Liberty Island.

Expected benefits: Breaching of levees in strategic locations and restoration efforts will restore tidally influenced aquatic habitat and seasonal wetlands. Tidally-influenced habitats would encompass from 50 to 70 percent of the property (2,380-3,332 acres). The tidally-influenced zone will transition into managed seasonal and permanent wetlands, interspersed with seasonally-flooded riparian areas and uplands at the higher elevations at the north end of the property. Restoration plans have been developed by the Corps that are being considered by the Bureau. The Service will coordinate final plans with these agencies. Restoration will include palustrine emergent marsh, mudflat, seasonal wetland, open water, and riparian forest.

Secondary benefit: Restoration will result in a reduction in farm irrigation diversions and improvements in water quality and a more natural hydrology. The quality of out-flow from the restored tidal aquatic habitat will improve over current conditions with less contaminants and increased aquatic productivity. Riparian water rights presently used to farm approximately 4,000 acres of row crops will be left in the Delta to improve overall water quality for all beneficial uses.

2. Floodplain and Marshplain Changes

Description of Stressor: Lack of flow over floodplains and marshplains [due to levee construction on Liberty Island]

Expected benefits: Breaching the levee will improve water conveyance between the Yolo Bypass and Sacramento River by expanding floodplain conditions as stated in CALFED'S "Summary of Technical Reports, Stressors and Example Restoration Actions."

3. Channel Form Changes

Description of Stressor: Loss of food supply, loss of Shaded Riverine Aquatic (SRA) habitat... [and loss of riparian zones on the island].

Expected benefits: Riparian habitat restoration will increase food supplies for native fish and wildlife and provide cover and nesting habitat for a variety of migratory and resident species.

Secondary benefits: Riparian systems act as water filters in the floodplain and provide ground-water recharge, bank stabilization, water pollution purification, and erosion control.

4. Undesirable Species Interactions

Description of Stressor: Striped bass predation, other introduced predatory species... competition for food resources by introduced fish... species [predate upon juvenile anadromous fish and other native fish species.]

Expected benefits: Restoration and management of Liberty Island will increase native fish populations at the site by acting as a strong attraction stimulus to fish that would have spawned in other sloughs.

Secondary benefits: Increased habitat would also produce greater quantities of plankton and

detritus, which would not only support benthic forage on-site, but would be transported by tidal action to the major channels, thus providing a food base for fisheries off-site.

5. Land Use: Urbanization

Description of Stressor: Urbanization of the watershed that leads to the loss of riparian habitat, habitat fragmentation, wetland drainage, and other impacts.

Expected benefits: Acquisition and restoration to permanent tidally-influenced aquatic and wetland habitat would preclude any future conversion to urban use or other negative land use changes.

6. Land Use: Forestry and Agricultural Practices

Description of Stressor: Agricultural practices [on Liberty Island] that lead to conversion of the floodplain to agricultural use..., a loss of habitat complexity, and water quality degradation.

Expected benefits: The purchase and restoration of Liberty Island to permanent tidally-influenced aquatic and wetland habitat will improve wetland complexity and water quality, with increases in Shaded Riverine Aquatic habitat (SRA). Continued agriculture on the area would lead to additional losses of SRA and wetland complexity as result of ongoing levee maintenance.

Secondary benefit: The high surface-to-water volume ratio of these channels improves overall water quality by enhancing oxygen levels and allowing sediments and emergent plants to absorb excess nutrients.

Potential Benefits to Third Parties

Local communities would benefit from the increased opportunities for wildlife-oriented recreation and environmental education. Restoration of tidal action to several thousand acres will improve and increase the aquatic and terrestrial habitats and ecological functions in the Delta. Also, the removal of levees on the island will reduce the risk of catastrophic levee failures. The entire project can serve as a model and offers numerous public outreach opportunities.

Priority Habitats

- Tidal perennial aquatic habitat
- Seasonal wetland and aquatic habitat
- Shaded riverine aquatic habitat

Priority Species

• **Native fish**, specifically **winter-run chinook salmon, Delta smelt, and Sacramento splittail.** Rearing habitat for winter-run chinook salmon and spawning habitat for Delta smelt and Sacramento splittail will be created. Increases in tidal habitat have the potential to boost juvenile fish survival by dispersing predation pressure and providing other food sources

Secondary Species

• **Migratory birds** within the waterfowl, shorebird and wading-bird and neotropical migrant guilds. Waterfowl, specifically canvasback, mallard, pintail and snow geese, will benefit from increased migratory, wintering and possibly breeding habitat. Restoration of riparian corridors and uplands will also provide migratory and nesting habitat for a variety of neotropical migratory birds.

- **Striped bass** habitat will result from restoration and management of Liberty Island; however, the restoration design for the project will maximize benefits for native fish species.
- **Associated freshwater emergent wetland plants** would also benefit.

d. Background and Biological/Technical Justification

The Sacramento/San Joaquin River Delta is a system of diverse aquatic habitats that supports over 45 fish species. Prior to regulation of flow and channelization of the Sacramento and San Joaquin Rivers, the Delta was characterized by sluggish river channels, oxbow and floodplain lakes, swamps, and sloughs. Today, alterations of the natural channel and intensive agricultural development have significantly changed the hydrology and reduced the wetland complexity of the Delta. Current land uses have reduced rearing and feeding habitat for many vulnerable Delta fish species and migratory birds. Liberty Island and Little Holland Tract create a "bottleneck" as water travels through the Yolo Bypass. Current levee configurations constrict the flow of floodwaters and exacerbate winter flooding in the Sacramento River floodplain.

Acquisition alternative Delta sites would be feasible, but the potential for restoration and the hydrological benefits are unique at Liberty Island given the location of the island and ongoing acquisition and restoration efforts on adjacent Little Holland Tract and Prospect Island. The acquisition and restoration of Liberty Island also complements the following CALFED objectives and ongoing Federal and State programs and plans:

- CALFED: Improve and increase aquatic and terrestrial habitats and improve ecological functions in the Bay-Delta to support sustainable populations of diverse and valuable plant and animal species;
- CALFED: Reduce the risk to land use and associate economic activities, water supply, infrastructure, and the ecosystem from catastrophic failure of Delta levees; and
- CALFED: Provide good water quality for all beneficial uses.
- Recovery Plan for Sacramento, San Joaquin Native Fishes
- U.S. Fish and Wildlife Service Central Valley San Francisco Bay Ecoregion Plan
- Central Valley Habitat Joint Venture fulfillment of the N. Amer. Waterfowl Mngmt. Plan
- USFWS Concept Plan for Waterfowl Wintering Habitat Preservation
- Aleutian Canada Goose Recovery Plan

e. Proposed Scope of Work -- Full or Phased Acquisition

The estimated total cost of acquiring fee title interest in Liberty Island, including appraisals, fees, surveys, and other direct costs is **\$8,577,000**. This estimate is based on a landowner-generated appraisal; the actual cost may vary, depending upon the appraisal prepared by a federal contract appraiser. The Service has discussed two funding scenarios with the landowner; either approach is acceptable. (See letter of support, Appendix C.) To support this acquisition effort, the Bureau is also submitting a CALFED/Category 3 proposal requesting \$7,120,000 to restore Liberty Island.

Full Acquisition---Phases, Tasks, and Deliverables

Preparation of Feasibility Study	Completed by USFWS
Initial contact with willing seller (Permission to Appraise)	Completed by USFWS
Preparation of Preliminary Project Proposal	Completed by USFWS
Appraisal to approved federal appraisal standards (on-going)*	90 days

Option for purchase agreement	10 days
Preparation of environmental documentation/compliance*	120 days
Title search*	30 days
Survey of property*	90 days
Escrow and closing	30 days
Recording of deed and purchase of property	30 days

* Many of these actions will occur concurrently; therefore the actual time span of completing the acquisition should take less than six months.

Phased Acquisition -- Phases, Tasks, and Deliverables

Under this scenario, the Service would seek acquisition funds from CALFED during two funding periods. The Service would purchase the first parcel(s) during "year one," and plan on receiving CALFED funds to acquire the remainder of the island during "year two." The landowner is agreeable to this phased acquisition approach, particularly if a commitment is made to phased acquisition. Barring such a commitment, the unsold portion(s) of the island would remain on the market for sale. Should this occur, the landowner would likely separate the island into 1,000-acre parcels since smaller parcels can be sold more readily.

If an uncommitted phased purchase is preferred by CALFED, there is some risk that the Service would acquire only a portion of the island, making restoration and long-term management and protection of the entire property unlikely.

Phased Acquisition: Year One (Same schedule as Full Acquisition; see page 8)

Phased Acquisition: Year Two

Appraisal to approved federal appraisal standards (on-going)*	90 days
Option for purchase agreement	10 days
Title search*	30 days
Survey of property*	30 days
Escrow and closing	30 days
Recording of deed and purchase of property	30 days

* Many of these actions will occur concurrently; therefore the actual time span of completing the acquisition should take less than six months.

Technical and Financial Reports

These reports are a component of the scope of work and can be provided, as desired.

f. Monitoring and Data Evaluation

The Service tracks all acquisitions proposals through an automated data base, the Land Acquisition Priority System (LAPS). Although this project may or may not be inserted into LAPS it will be tracked through the Sacramento Realty Office from initiation (feasibility study) through recording of the deed. Refuge staff will coordinate and monitor implementation and management of restoration of the island.

g. Implementability

Willing seller

Unlike most acquisitions of this size where multiple owners are involved, Liberty Island has a single, willing seller. The seller is willing to consider full or phased acquisition.

Favorable change in land use

The proposed acquisition and restoration will represent a favorable change in land use that can improve fisheries and wetlands habitat, improve, water quality and help correct flooding problems in the Sacramento River drainage.

Compliance with laws and regulations

For acquisition of the property, the Service will follow standard procedures for acquisition and comply with the "Uniform Appraisal Standards for Federal Land Acquisitions". The Service shall be responsible for all acquisition costs including, appraisal costs, and reasonable and customary transfer costs. For the restoration, the Service will cooperate with the Bureau, the Corps, and other Federal, State, and private partners in the design and implementation of the project. Acquisition and restoration of Liberty Island may require preparation of the following documents and permits: Environmental Assessment to comply with NEPA and CEQA; U.S. Army Corps of Engineers/Section 404 permit; USFWS/Section 7 consultation under ESA; Stream alteration permits; National Historic Preservation Act (Section 106) compliance; and Regional Water Quality Control Board Permits.

Coordination with other projects

The Service has several management and conservation plans for projects within this area that require close coordination with other Federal, State and local agencies. It has prepared a preliminary project proposal to designate Liberty Island, Prospect Island, and Little Holland Tract as the North Delta Unit of Stone Lakes National Wildlife Refuge. The process of filing environmental documents and adhering to compliance requirements to establish the North Delta Unit of the Refuge will require input from conservation organizations, the public, and on-going coordination with the Corps, Bureau, Department of Water Resources, and other agencies. The Service is cooperating with the Bureau to enhance the environmental corridor linking all three parcels with the current Refuge boundary. The acquisition also contributes to the goals of many federal, state, and local programs and plans. (See Section III d.)

Local support and outreach

The following agencies support the Service's purchase (and restoration of) Liberty Island: U.S. Bureau of Reclamation, U.S. Army Corps of Engineers, California Department of Water Resources, California Department of Fish and Game, Wildlife Conservation Board, the Sacramento-Yolo Port Authority, Solano Irrigation District, and Metropolitan Water District. The project can serve as a model wetland restoration and flood control project within the Delta. Restoration and flood control benefits provide outstanding outreach opportunities and should garner strong public support. The landowners also fully supports this project. Please note the letters of support in Appendix C.

IV. COST AND SCHEDULE TO IMPLEMENT PROPOSED PROJECT

a. Budget Costs

Project phase	Direct Salary and benefits	Service Contracts	Misc. & Other Direct Costs	Total Costs
Full purchase	\$20,000	\$7,000	\$8,550,000*	\$8,577,000
Year-One Acquisition	\$20,000	\$7,000	\$4,275,000*	\$4,302,000
Year-Two Acquisition	\$ 20,000	\$7,000	\$4,275,000*	\$4,302 ,000

*Please note: This cost structure is based on the \$8.55 million, the value presently supplied by the landowners appraisal; the sale price may need to be adjusted following the impending federal appraisal.

b. Schedule Milestones

The Service has been exploring the feasibility of purchasing Liberty Island for some time, as reflected by the schedule. The milestones are the same as the "Scope of Work," Section IIIe.

Preparation of Feasibility Study	March 1996
Preparation of Preliminary Project Proposal	June 1996
Initial contact with willing seller (Permission to Appraise)	May 1997
Approval of Preliminary Project Proposal (Wash. D.C.)	July 1997
Completed appraisal to approved federal standards	September 1997
Draft environmental documentation completed	October 1997
Finalize environmental document/Record of Decision	December 1997
Request funds	December 1997
Title search/survey of property	December 1997
Escrow and closing	January 1998
Recording of deed and purchase of property	January 1998

c. Third Party Impacts

The Service works with willing sellers and the public is provided several opportunities to provide comments during the planning and environmental analysis process. Anticipated third party impacts to the local tax base by withdrawal of private lands would be off-set through the Refuge Revenue Sharing Act and appropriate payment in lieu of taxes would be reimbursed to the communities annually.

V. Applicant Qualifications

The Service currently manages over 670 square miles of habitat within the Refuge system in California. The Service has an ongoing land acquisition program that covers 16 Refuges and Wildlife Management Areas within the Central Valley and San Francisco bay area. Although 6 of these Refuge units have been completed, another 224 square miles of habitat remains unprotected

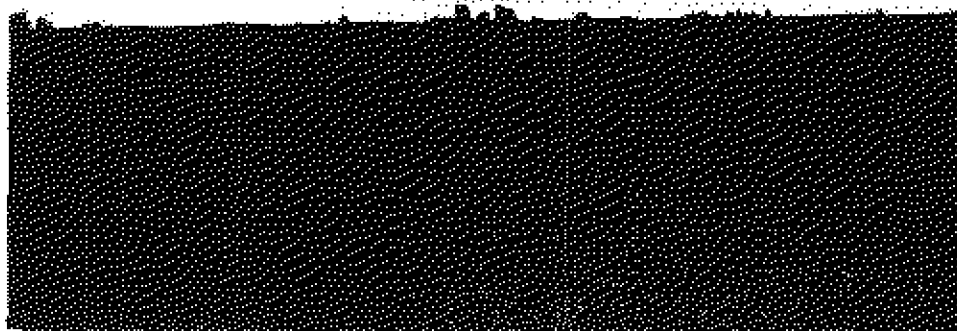
in non-federal ownership within approved boundaries. The staff of eight has over 150 years of combined experience in the areas of realty, appraisal, and environmental protection.

The staff of Stone Lakes National Wildlife Refuge, a new refuge, is currently managing nearly 1,000 acres of Service-owned land within its approved boundary. The Refuge is also pursuing cooperative agreements with a number of State and local agencies for cooperative management of 5,200 acres of non-Service lands within the boundary. To date, the Service has expended a total of \$3.5 million of Federal, State, and private funds to acquire lands from four willing sellers and has obtained over \$1 million for the restoration, enhancement, and management of 1,300 acres on the Refuge. The Service is uniquely qualified to identify, acquire and manage these lands in perpetuity. Certain portions of the work may be contracted, depending upon priorities and existing workloads. Stone Lakes National Wildlife Refuge staff will coordinate restoration work with the Bureau and Corps, both of which have long-established track records in accomplishing restoration projects. There are no known conflicts of interest with parties involved in this project.

VI. Compliance with Standard Terms and Conditions

The U.S. Fish and Wildlife Service, as federal agency acting as a representative of the public, agrees to adhere to all standard terms and conditions identified and applicable to the type of project (real estate transaction) being proposed. According to Table D in CALFED'S Request for Proposals, it is not necessary to submit Standard Contract Clauses with this proposal.

Safflower crop with
dredge in background

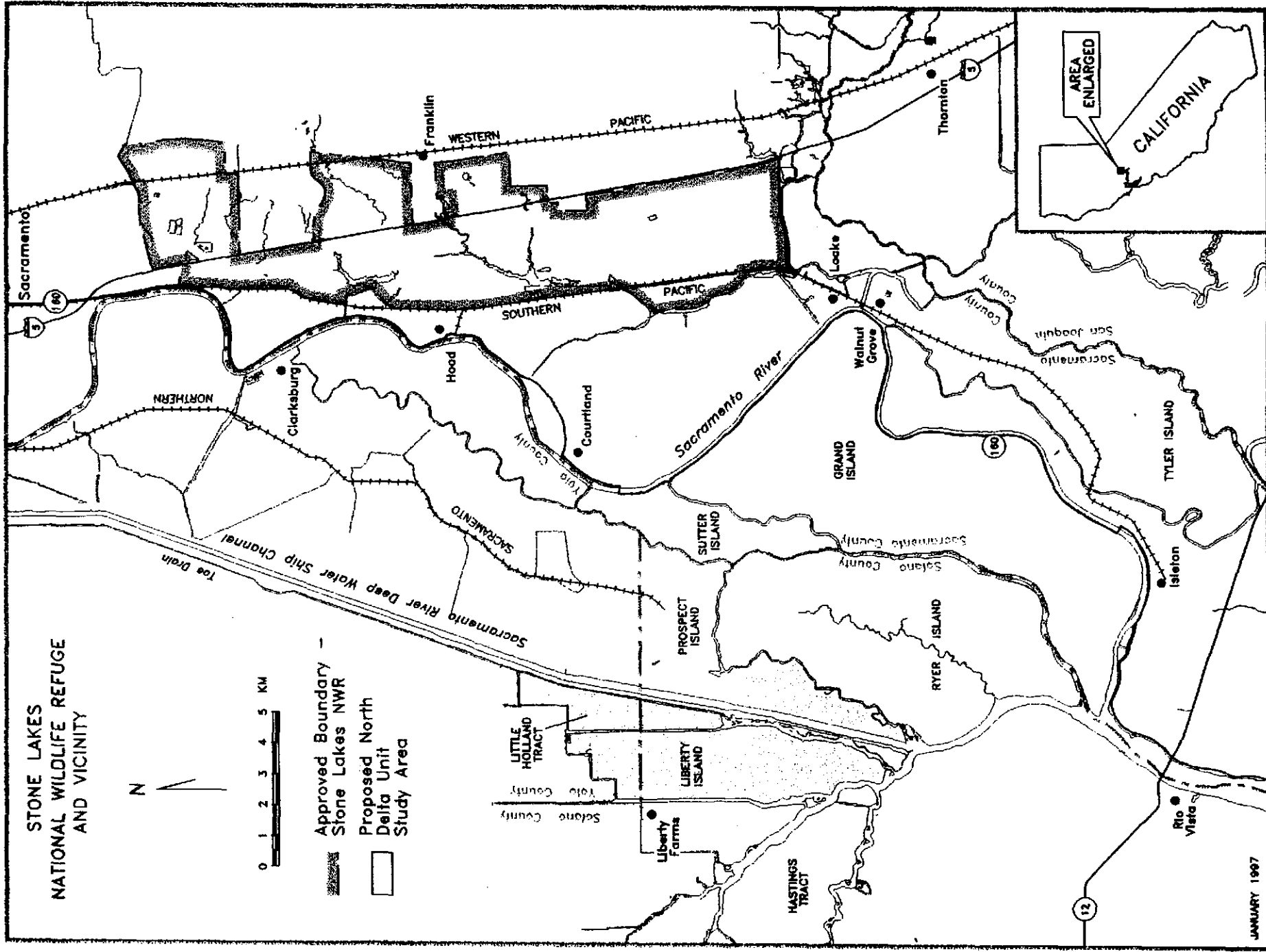


Irrigation ditch with
safflower in background



Tomato crop





NAUMACHIA, INC.
P.O. BOX H
YUBA CITY, CA 95992
(916) 751-9121
(916) 751-9309 FAX

APPENDIX C

July 23, 1997

Kate Hansel, Grant Coordinator
CALFED Bay-Delta Program
c/o Tom Harvey, Refuge Manager
Stone Lakes National Wildlife Refuge
2233 Watt Ave., Suite 375
Sacramento, CA 95825

RE: LIBERTY ISLAND

Dear Ms. Hansel:

Liberty Island has been appraised at \$8,500,000.00 by Pattison & Associates, a state approved appraiser. Pattison & Associates have completed appraisals for a number of agencies such as the Department of Water Resources, Wildlife Conservation Board, Department of General Services, and California Tahoe Conservancy, just to name a few.

I have listed Liberty Island for sale with Cheyenne Realty, Inc. for the appraised value of \$8,500,000.00. Cash or terms are acceptable to me. Our company is a serious and willing seller.

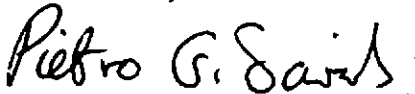
I feel that this island provides a unique opportunity for environmental restoration and the Sacramento River flood control project. It is very difficult to find a piece of property which consists of 4,750.98 acres in one location, which is owned by one entity that is a willing and able seller.

Cheyenne Realty, Inc. is currently showing the island to prospective buyers that are considering purchasing portions of the island, since the island is in many separate legal parcels. However, selling the entire island to a federal or state agency would give me satisfaction that it would benefit the people of California. If needed, I would be willing to sell in two stages - 1/2 this year and the remaining portion next year. I am very supportive of selling Liberty Island to the United States Fish and Wildlife Service for inclusion in Stone Lakes National Wildlife Refuge.

Please contact Geneal Chima at Cheyenne Realty, Inc. (916) 671-2509, to purchase Liberty Island. I look forward to doing business with you in the very near future.

Sincerely,

NAUMACHIA, INC.



Pietro G. Saviotti, President



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEER DISTRICT, SACRAMENTO
CORPS OF ENGINEERS
1325 J STREET
SACRAMENTO, CALIFORNIA 95814-2922

July 25, 1997

Planning Division

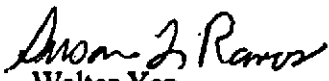
Ms. Kate Hansel
CALFED Bay-Delta Program
1416 Ninth Street, Suite 1155
Sacramento, California 95814

Dear Ms. Hansel:

The Corps of Engineers fully supports the U.S. Fish and Wildlife Service's efforts to acquire and restore Liberty Island in order to help achieve the Stone Lakes National Wildlife Refuge's mission. In particular, the acquisition and restoration of Liberty Island will protect and restore tidally-influenced wetlands and riparian corridors in the Delta which will improve habitat for anadromous and resident fish, migratory birds, and special-status plant and wildlife species. In addition, the project will improve flood management by providing additional flood conveyance from the Yolo Bypass through the Delta.

The Corps has completed extensive environmental studies of Liberty Island, including an Environmental Evaluation, and has been given the authority by Congress to participate in the restoration of the island. We look forward to working further with you and the Service to implement this project.

Sincerely,


Walter Yep
Chief, Planning Division

Copy Furnished:

Mr. Tom Harvey, Refuge Manager, Stone Lakes National Wildlife Refuge, 2233 Watt Avenue,
Suite 375, Sacramento, California 95825

DEPARTMENT OF WATER RESOURCES

ENVIRONMENTAL SERVICES OFFICE
3251 S STREET
SACRAMENTO CA 95816-7017



July 24, 1997

Kate Hansel
Chair, Category 3 Steering Committee
1416 Ninth Street, Suite 1155
Sacramento, CA 95814

RE: Liberty Island Purchase

Dear Ms. Hansel:

I am writing to express my support of the U.S. Fish and Wildlife Service proposal to purchase Liberty Island. Department of Water Resources is currently the non-federal sponsor of the Prospect Island Restoration Project, which will restore 1200 acres of freshwater tidal marsh on Prospect Island, directly east of Liberty Island. The purchase of Liberty Island represents a rare opportunity to create contiguous restoration sites.

The Prospect Island Restoration Project, in conjunction with purchase and restoration of Liberty Island, would create a mosaic of shallow water, mudflat, emergent marsh, and shaded riverine aquatic habitat benefitting several resident and migratory fish species. Migratory waterbirds would also benefit as well as special status wildlife species known to occur in the area such as, Swainson's hawk, tricolored blackbird, and white-faced ibis.

It is my understanding that the purchase of Liberty Island and subsequent restoration of the island furthers the goals of the Cal Fed program by contributing significant ecosystem benefits extending outside the project site, such as improved habitat and water quality.

Please call me at (916) 227-7548, if you have any questions regarding this letter.

Sincerely,

A handwritten signature in black ink that reads "Leo Winternitz".

Leo Winternitz,
Chief of Water Quality Monitoring and
Analysis Branch
Department of Water Resources



CENTRAL VALLEY HABITAT JOINT VENTURE

North American Waterfowl Management Plan

July 21, 1997

American
Farmland Trust
California Waterfowl
Association
Ducks Unlimited
National Audubon
Society
The Nature Conservancy
The Trust for Public Land

Kate Hansel, Grant Coordinator
CALFED Bay-Delta Program
1416 Ninth Street, Suite 1155
Sacramento, California 95814

Dear Kate:

The Central Valley Habitat Joint Venture (CVHJV) strongly supports the proposal submitted by Stone Lakes National Wildlife Refuge (NWR) requesting CALFED funds to purchase Liberty Island.

Liberty Island lies in strategic Delta habitat which, when restored, would provide freshwater wetlands and seasonally flooded riparian habitat to benefit many resident and migratory species, ranging from common waterfowl and songbirds to species at risk, such as the northern pintail, American peregrine falcon, giant garter snake, and many others.

Acquisition of Liberty Island will help safeguard this important Delta habitat by placing it under the protection of Stone Lakes NWR. It will also link the Stone Lakes/Cosumnes River Basin to key wildlife habitat located within the Delta, in particular, and the Central Valley, in general.

The Joint Venture Coordinator has had preliminary discussions with Stone Lakes NWR staff and they have assured us that, if this acquisition occurs, seasonal managed wetlands and associated uplands will be included in any restoration plans. Therefore, this acquisition will clearly help promote many CVHJV goals. The Joint Venture urges CALFED to support this \$8.5 million acquisition request from willing sellers to the fullest extent possible.

Please feel free to contact the CVHJV Coordinator, Dave Paullin, or Refuge Manager, Tom Harvey, if you would like more information. Thank you.

Sincerely,

Bill Gaines
Chairman

cc: Management Board